

Message Text

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10

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAM-01

EB-07 AID-05 CU-02 ACDA-07 CIEP-01 TRSE-00 OMB-01

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R 281558Z JUL 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5600

INFO AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY DOHA

C O N F I D E N T I A L CAIRO 10122

E.O. 11652: GDS

TAGS: EFIN, EAID, EG

SUBJECT: EGYPT REQUESTS BOP ASSISTANCE

REF: CAIRO 10069

1. LOCAL PRESS FRONT-PAGES REPORT THAT MINFIN ABU ISMAIL HAS SENT LETTERS TO THE FINANCE MINISTERS OF SAUDI ARABIA, KUWAIT, UAW AND QATAR FORMALLY REQUESTING THE GULF ORGANIZATION FOR DEVELOPMENT OF EGYPT (GODE) TO CONTRIBUTE TOWARD FINANCING DEFICIT IN THE BOP. FIGURE GIVEN IN PRESS IS \$1 BILLION, WHICH IS DESCRIBED AS ESTIMATED DEFICIT FOR THIS YEAR, THE FIRST YEAR IN EGYPTIAN FIVE YEAR (1976-1980 DEVELOPMENT PLAN.

2. THIS STEP FOLLOWS CLOSELY ON HEELS OF PRESIDENT SADAT'S PUBLIC DECLARATION (REFTEL) THAT EGYPT NEEDED \$12 BILLION FROM HER ARAB BROTHERS DURING COURSE OF DEVELOPMENT PLAN. AS NOTED, WHILE FIGURE ITSELF
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IS NOT NEW, PUBLIC NATURE OF ITS DISCLOSURE BY SADAT,

AND PRESS COVERAGE OF ACTUAL SENDING OF REQUEST,
MAY INDICATE THAT EGYPTIANS ARE PREPARED TO BE FAR
MORE OPEN IN THEIR ACKNOWLEDGEMENT OF ECONOMIC
PLIGHT FACING COUNTRY.

3. ABU ISMAIL'S REQUEST SQUARES WITH INFORMATION
WE OBTAINED FROM CONVERSATIONS WITH GOE OFFICIALS,
WHO HAVE GIVEN FOLLOWING BREAKDOWN OF \$12 BILLION FIGURE:
(A) \$1 BILLION PER YEAR FOR BOP SUPPORT; (B) \$3 BILLION
FOR REDUCION OF SHORT-TERM DEBT; (C) \$1.5 BILLION
FOR REPLACEMENT OF DETERIORATING INFRASTRUCTURE
(UNSPECIFIED); (D) \$2.5 BILLION AS COUNTERPART OF
INPUTS FOR NEW INVESTMENT PROJECTS.
EILTS

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Message Attributes

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Decaption Date: 01 JAN 1960
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Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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